

**MINUTES OF THE BOARD MEETING
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, June 26, 2013
450 Child Street, Boardroom, Warren, RI**

Pursuant to proper notice, the Board Meeting of the Bristol County Water Authority was called to order by Chairman Klepper at 6:00 pm, 450 Child Street, Boardroom, Warren, Rhode Island.

Executive Director Pamela Marchand, Legal Counsel Joseph Keough and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, William Gosselin, John Jannitto, Allan Klepper, Bradford Louison, Georgina Macdonald, Raymond Palmieri, Sr., Frank Sylvia

Directors Absent: None

1. Discussion/Action – BCWA Billing Change – Landlords/Tenants

Director Jannitto made the following motion, seconded by Director Sylvia

MOTION: Board to dispense with any discussion or change - from billing the landlord - and keep to the present system.

Director Palmieri asked for discussion on this issue.

Chairman Klepper stated the original recommendation to reduce write-offs was to bill the landlords; now the motion on the table is to keep the present system. Staff presented six items of proposed billing changes 1) place lien on tenant property (minimum of \$300 bill); 2) Continue to bill tenants, provide a copy of bill to the owner; 3) increase deposit amount; 4) Have the bill automatically revert to the property owner when tenant property is vacated; 5) Charge interest for late payments; or 6) change to monthly billing. Information gathered from the hearing, was that when the tenant is late paying BCWA, he is also late paying the rent. BCWA is averaging 0.3% loss, which is admirable under any circumstance said Chairman Klepper.

Director Sylvia made the following motion, seconded by Director Gosselin.

MOTION: Move the motion.

Motion passed unanimously.

Motion made by Director Jannitto passed with 8 ayes, with Director Allio abstaining.

Director Macdonald stated that BCWA should not be required to provide water service without a deposit. Amount of deposit should be based on the person's credit risk, with higher deposits for high risk tenants. Also, BCWA should begin charging interest on all unpaid accounts. Legal Counsel J. Keough stated that this action would require a policy change to be voted by the Board.

Director Sylvia asked that all questions be sent to the Executive Director and information be ready for the July meeting.

2. Recess to Annual Meeting

Director Gosselin made the following motion seconded by Director Macdonald

MOTION: Move this item to the end of the meeting.

Motion passed unanimously.

3. Presentation – Auditors Comments on Annual Report and Benefit/Cost Comment on Adhering to CAFR

Finance Manager M. Champagne introduced BCWA's auditors Donna Caccia and Gail Wilcox.

D. Caccia explained the annual report, assets, bonds, debt and OPEB. CAFR includes- financial statement, letter of transmittal and statistical section, which requires 10 years of financial data said D. Caccia. Mark Champagne stated that this could be set up with the new computer programs going forward.

W-2 vs 1099 – Board of Directors have voted to continue being paid on a 1099, D. Caccia stated. Members of Town Councils are W-2 , as are people appointed to serve on government boards. M. Champagne stated that he is required to respond to the IRS with the Board's decision.

For Director's wishing their stipend payment donated to charity, it is not a problem as long as taxes are paid on the donation said D. Caccia.

4. There was no public input.

5. Approval of Minutes

Director Macdonald made the following motion, seconded by Director Sylvia

MOTION: To approve the minutes of Finance Committee 5/23/13, Board Meeting 5/28/13, 5/28/13 Annual Report and 6/5/13 Public Hearing.

Motion passed unanimously, with corrections.

6. Executive Directors Report

Executive Director P. Marchand stated that the consumption numbers are still low and the leak detection program that was just completed could have an impact on our consumption. Anawan and Swansea Dam renovations are progressing well.

7. Financial Report – M. Champagne

Finance Manager M. Champagne stated that he has streamlined the budget. Distribution and Production have been consolidated into one department. Metrics for April, May and June will be available for the July meeting.

8. Quarterly Charge-Offs

Director Sylvia made the following motion, seconded by Director Jannitto

MOTION: To approve charge-offs in the amount of \$6,927.55, as presented.

Motion passed unanimously.

9. CUSI Computer Software Programs

Executive Director P. Marchand stated CUSI has been selected for both work order management package and the customer service package.

Information Technology Specialist, R. Manchester, explained BCWA would be hosting in-house not in-cloud. Some of the cons of using the cloud are renting the software - costs could go up, it is less secure, poor application performance, greater cost over the long term and BCWA would need a backup internet provider. BCWA will own the software by hosting in-house.

Payments are being spread out over 3 years. Total cost will be \$294,250.00 with yearly maintenance costs of \$29,350.00, within budget. The Finance module will be installed first. Milestone dates will be added as requested by Director Allio.

Executive Director P. Marchand stated that a vote is needed to award the contract to CUSI. All references were positive for CUSI.

Director Bishop made the following motion, seconded by Director Macdonald

MOTION: Award contract to CUSI in an amount not to exceed \$300,000 – for the purchase of software programs for customer service and work order management.

Chairman Klepper stated that within 90 days of the signing of contract to have a milestone included.

Motion passed unanimously.

10. Resolution for Re-Imbursement From Future Bond

Director Macdonald made the following motion seconded by Director Sylvia

MOTION: Approve Resolution for Re-imbursement from future bond.

Motion passed unanimously.

11. Pension Trust Fund Manager Recommendation by Finance Committee

Director Allio made the following motion seconded by Director Palmieri

MOTION: 1. Wells Fargo Institutional Retirement and Trust be engaged to manage the BCWA pension fund, and that 2. BCWA's Finance Committee review the Authority's investment policy and recommend possible changes to the board for approval at its next meeting or as soon as possible.

Chairman Klepper asked for further information on Wells Fargo and how it would materially change the result of the trust fund.

Director Palmieri read a statement in support of the motion – see attached.

Director Allio stated that Washington Trust's report has no comparison of performance against benchmarks, no narrative, no description of how the fund was managed.

Director Jannitto asked M. Champagne if he concurred with selecting Wells Fargo.

We have built a good relationship with Washington Trust with the line of credit and the refunding of the bonds said M. Champagne. Wells Fargo historically has had issues and law suits filed against them. BCWA must stay with a conservative portfolio because of the ages of our employees and Washington Trust has had a long steady performance.

Director Palmieri stated that Washington Trust was not responsive to BCWA.

Motion failed 3 – 6, Voting Aye: Directors Allio, Macdonald and Palmieri. Voting Nay: Chairman Klepper, Directors Bishop, Gosselin, Jannitto, Louison and Sylvia.

Director Jannitto made the following motion seconded by Director Gosselin

MOTION: Invite current Trust Fund Manager to appear before the Board for discussion to change the ratio of equity to bonds.

Motion passed with 8 ayes, Director Palmieri abstained.

12. Modification of BCWA By-Laws in Accordance with Legislation/Tri-Town Recommendations

Legal Counsel J. Keough stated he had amended the by-laws where appropriate with the new legislation. There are now only two officers, Chair and Vice-Chair that must be elected. The secretary, treasurer and assistant secretary are no longer required by legislation.

Chairman Klepper asked that the item of Board secretary, treasurer and assistant secretary be placed on next month's agenda.

The Finance Committee should make a recommendation on payments to the Board.

Chairman Klepper asked the Executive Director to send a letter to the Town Councils concerning changes to the By-Laws.

13. Management Development & Compensation Committee Recommendations on Executive Director Compensation and Engineering Project Manager

Chairman Klepper stated that the Committee will schedule a new meeting.

Executive Director P. Marchand stated that she will be advertising for an Engineering Project Manager. This will be a 1099 position, paid hourly, a full time position with a salary of \$80,000 but without benefits.

14. Operations Foreman – Job Description

Executive Director P. Marchand stated that the existing foreman is retiring and a new job description has been updated.

Director Palmieri stated he had questions about the language of the job description.

Director Jannitto made the following motion seconded by Director Macdonald

MOTION: The approval of the Operations Foreman job description will be postponed until Director Palmieri can meet with the Executive Director regarding any concerns.

Motion passed unanimously.

Discussion

15. Attorney General Open Government Summary

Chairman Klepper asked that information be resent to the Board.

16. Summer Help

Executive Director P. Marchand stated that the 4 summer help students returned this year and an additional student has been hired. We are looking to hire 2 – 3 GIS students and renting 3 hand held units to collect GIS data said the Executive Director.

17. Adhering to CAFR

Finance Manager M. Champagne stated that there is a lot of work now involved with the new computer system. CAFR will also require a lot of work, we must go back ten years and that information is not in our computers. We can set it up going forward.

Director Allio made the following motion, seconded by Director Palmieri

MOTION: Defer application for CAFR certification for one year.

Motion passed unanimously.

18. Poppasquash Rd Area Projects/Plans/Status

Operations Manager K. Booth stated Pare Engineering had been hired for the design work of the entire project. Phase IA was bid and awarded and we are awaiting permits from the DOT. Work should be completed by the fall. Ken provided a presentation on the Phase 1A, 1B and 2 of the project. The design of phases 1B and 2 will take longer as they run through the Colt State Park and have to be coordinated with the DEM and DOT and require archeological surveys.

Director Macdonald asked that detailed information be sent to the newspapers as a press release, posted on BCWA's website and sent to the Town Council.

19. BCWA Water Main Upgrade Policy

Executive Director stated this item is for information only, BCWA does not have a written policy. Director Sylvia stated a public hearing should be held on this subject. Item to remain on the agenda.

20. Anawan – Engineering Services - Update

K. Booth stated that Pare Engineering has completed the field work and is now working on the design for renovations and repairs. Design is expected to be completed by the end of August.

21. Ocean State Water Authority

RIWWA and BCWA have requested that the legislature create a statewide commission to study the issues concerning water supply and regionalization within RI.

22. Community Relations Initiatives

Director Allio stated that the reputation of the water authority has not been enhanced in the past months; BCWA must reach out to the public to tell them what we are doing.

Director Palmieri stated Poppasquash Road information should be made available to the newspapers and also posted on our website.

23. Strategic Plan Progress Report by Staff

Director Sylvia requested that item be moved to July meeting.

The Chair recognized Mr. Bob Santos who stated that the board had done a good job with its public hearing on the landlord/tenant issue.

Director Jannitto made the following motion seconded by Director Sylvia

MOTION: To adjourn meeting and enter into Annual Meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 9:25 pm.

Allan C. Klepper
Chairman